Association for Elderly Attacks Proposed Medicare Cuts

By Spencer Rich
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The nation's largest organization for the elderly yesterday attacked proposals to cut Medicare, saying the spending curbs could increase average out-of-pocket costs by $575 and push them up as high as $2,000 a year for some people by the end of the century.

"Older Americans believe they elected people in 1994 who would not cut Medicare, and they are shocked when they see these proposals," said Tricia Smith, senior legislative representative for the 33 million-member American Association of Retired Persons.

Meanwhile, a survey by the nonprofit Employee Benefit Research Institute yesterday showed that 64 percent of Americans 18 or older favored tax increases to shore up the Social Security system. Twenty-eight percent of the respondents who were surveyed in January said no tax increases should go into effect until after 2010, the year the baby boomers start retiring.

Concerned that Social Security might not be available when they retire, a third of respondents said the highest-income elderly should not receive benefits even though they had paid into the system. Only 9 percent believe Social Security benefits should be eliminated or reduced. Eighty-five percent of respondents said benefits should stay the same or be reduced for higher-income people.

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> — Tricia Smith, AARP

In discussing Medicare, Smith told reporters that the AARP had conducted "numerous focus groups across the country in the last few months" and found that the elderly had little idea that the new Republican-controlled Congress wants to cut projected Medicare spending over the next seven years by as much as $300 billion.

Smith said the AARP assumed that about half the Medicare savings Congress would seek to help balance the budget by 2002 would come from higher costs to beneficiaries, the rest from cutting fees to service providers.

Under current law, the average elderly person would pay $3,890 in premiums, copayments, deductibles and other out-of-pocket health outlays in 2000, not counting long-term care, AARP experts calculated. But the cost could go up by $575 if the most commonly discussed changes are adopted: imposing new copayments for home health care, charging the well-to-do elderly more, increasing Medicare premiums by one-fifth, or increasing the amount patients pay before benefits kick in and then raising that amount annually.

3/7/95
WPost